



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CN 712

TRENTON, NEW JERSEY 08625

(609) 588-2600

ALAN J. GIBBS
Commissioner

SAUL M. KILSTEIN
Director

MEDICAID COMMUNICATION NO: 91-27

DATE: December 13, 1991

TO: County Welfare Agency Directors

SUBJECT: Funding for Outstationing Activity

This serves as a follow-up to Medicaid Communication No. 91-26 and provides additional detail relating to the fiscal aspects of outstationing activity.

The costs associated with county welfare outstationing activities are eligible for reimbursement from the federal government. This reimbursement is equal to 50 percent of eligible administrative costs. Arrangements are being made so that the federal funds to cover the costs of this outstationing activity can be advanced to the county welfare agencies. These federal funds will be disbursed to the county welfare agencies by the Division of Economic Assistance in a manner consistent with other federal Medicaid funds.

Under State law, hospitals designated by the Commissioner of Health to receive outstationing services are required to reimburse the county agency for the non-federal share of county agency costs applicable to the outstationing activity. Similar arrangements are being made for reimbursement of county welfare agency costs incurred as a result of outstationing activity in federally qualified health centers. Based upon agreements reached with the outstation sites and the operational plans submitted by the county welfare agency, this Division will bill the facility for an estimated amount of reimbursement. These funds will be collected through a withholding of Medicaid payments at the beginning of each of each calendar quarter. Shortly thereafter, these funds will be disbursed to the county welfare agencies by the Division of Medical Assistance and Health Services.

Payments made to the county welfare agency in accordance with these procedures should be treated as a revenue to the county welfare agency and not applied as a reduction of cost in the administrative cost allocation plan. Accordingly, these funds should be reported on Form PA-215, Statement of Administrative Accounts, Item C, Line 2, "Funds Received from County Treasurer: Other."

Designated facilities are entitled under State law to be reimbursed for payments for county welfare agency outstationing activities. As a result, it is necessary to identify the cost to be charged to each facility and to incorporate this cost into the facility's billing rates for calendar year 1992. These prospective billing rates are calculated prior to the beginning of the calendar year and will not be adjusted. Therefore, the Department of Health must be advised of the estimated outstationing charges to each facility in the immediate future in order to include this item in the billing rates for 1992.

Estimated outstationing charges for each facility will be used to determine the amount to be withheld from Medicaid payments and disbursed to the county welfare agencies each calendar quarter. These payments will be reconciled to the actual costs incurred by the county welfare agency for outstationing activities. Any difference between the payments and the actual costs will be included as an adjustment to estimated outstationing charges for the subsequent calendar year.

Attached are work sheets to be used by the county welfare agencies to calculate and explain estimated outstationing costs for calendar year 1992. The "Details of Estimated Costs for Calendar Year 1992" work sheet and the staff listing attachment can be used to identify total estimated outstationing costs for calendar year 1992. The "Details of Estimated Employee Assignment for Calendar Year 1992" can be used to calculate the percentage of total estimated outstationing costs to be charged to each affected facility.

The county welfare agency should include all anticipated costs on these work sheets including any support or supervisory staff assigned directly to the Medicaid Outstationed Workers employee work unit. Other items, such as estimated travel costs, equipment costs, and indirect costs should also be included. The county welfare agency should also report the number of hours that outstationed staff are expected to be assigned to each outstation site. This should include travel time and exclude support or supervisory staff not actually sent to an outstation site. This information will be used to apportion the total estimated costs to each outstation site. Copies of the completed work sheets may be provided directly to the outstation sites to be used in outstationing activity cost data required by the Department of Health. These work sheets can also be beneficial in the preparation of the county welfare agency budget for the calendar year 1992. Additionally, the completed work sheets must be included with the county welfare agency plan being submitted to this Division.

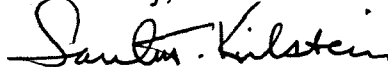
Please be advised that it will be necessary to maintain actual employee hours spent at outstation sites and to submit this information on a quarterly basis to the Division of Medical Assistance and Health Services. This information will be used to apportion the actual outstationing costs to the outstationing sites in the reconciliation of facility charges and actual costs.

The Division of Medical Assistance and Health Services has requested the appropriation of the necessary federal funds to the Division of Economic Assistance for disbursement to the county welfare agencies. In addition, the county welfare agency budget documents have been revised to include a Medicaid Outstationed Worker employee work unit and a revision of the administrative cost allocation plan has been requested. The affected facilities have been advised of their responsibilities in this outstationing effort by the Department of Health.

It is important that each county welfare agency meet with the outstation sites as soon as possible so that concurrence can be reached on the activity at each facility to allow the facilities to report their fiscal estimates to the Department of Health to facilitate their rate adjustments. Equally important, this Division needs to be apprised of the outstationing plans for each facility. No later than December 20, 1991, each county welfare agency must submit to the Division either its outstation plan or an explanation of the status of the development of the plan together with a firm commitment to implement outstationing activity by Jan 2, 1992.

If you have any questions regarding the fiscal aspects of the outstationing initiative, please refer them to David Lowenthal at (609) 588-2820. Questions concerning other aspects of outstationing activity should be referred to Richard Hruby at (609) 588-2556.

Sincerely,



Saul M. Kilstein
Director

cc: Marion E. Reitz, Director
Division of Economic Assistance

Nicholas Scalera, Director
Division of Youth and Family Services

DIRECTIONS FOR COMPLETING MEDICAID OUTSTATIONED WORKERS
ESTIMATED COST AND EMPLOYEE ASSIGNMENT WORKSHEETS

These worksheets provide a concise means of identifying and explaining estimated county welfare agency outstation activity costs and employee assignments for calendar year 1992.

DETAILS OF ESTIMATED COSTS FOR CALENDAR YEAR 1992

The cost categories contained in this worksheet are consistent with the county administrative cost allocation plan. The preparer should list the titles, the percentage of time and the salary cost of the employees assigned to the Medicaid Outstationed Workers employee work unit. A separate listing is supplied if additional space is needed to list outstationed employees. The remainder of the worksheet is to be completed by including the estimated cost for each category and total cost for all categories at the bottom of the worksheet. The completed worksheet will identify all anticipated county welfare agency outstation activity costs for calendar year 1992.

DETAILS OF ESTIMATED EMPLOYEE ASSIGNMENT FOR CALENDAR YEAR 1992

This worksheet will be used to apportion total anticipated county welfare agency outstation activity costs for calendar year 1992 from the estimated cost worksheet explained above to specific outstation sites. This information will be used to charge each outstation site for the applicable cost of county welfare agency outstation activity costs. The preparer should include the estimated number of employee hours spent at each outstation site. This information should include the time that any employee is actually located at the outstation site or for traveling to and from the outstation site. The worksheet should not include outstation employee time spent at the county welfare agency office or at a location other than the outstation site.

Any questions concerning the completion of these worksheets can be directed to:

David Lowenthal
Bureau of Budget and Fiscal Operations
Division of Medical Assistance and Health Services
(609) 588-2820

COUNTY WELFARE AGENCY
MEDICAID OUTSTATIONED WORKERS EMPLOYEE WORK UNIT
DETAILS OF ESTIMATED COSTS FOR CALENDAR YEAR 1992

SALARY COSTS:	% of time (FTEs)	Salary Cost (salary x % of time)
Staff (list positions):	=====	=====
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----

(Attach separate list if additional space is needed)

Subtotal Salary Costs: =====

OTHER DIRECT COSTS:

Travel Costs _____

Major Equipment _____

Training _____

Direct EDP Expenses _____

Subtotal Other Direct Costs: =====

INDIRECT (Allocated) COSTS:

Fringe Benefits (incl. pension) _____

Office Space Expense _____

Administration _____

Subtotal Indirect (Allocated) Costs: =====

GRAND TOTAL =====

Staff List Attachment (page _____ of _____)

Salary Cost
(salary x % of time)

Staff (list positions):

[illegible][illegible]

[illegible]

Include employee hours for time spent at the outstation_location and travel to and from outstation_location only. Do not include employee time spent at the CWA or time for support or supervisory staff unless the support or supervisory staff works at the outstation location.